

DRAFT ONLY

ADMINISTRATION AND FINANCE COMMITTEE

DATE: December 11, 2007

CALLED TO ORDER: 5:04 p.m.

ADJOURNED: 6:53 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Paul Bateman
Lynn McWhirter
Jackie Nytes

Absent Members

Vernon Brown
Lance Langsford
Lincoln Plowman

AGENDA

PROPOSAL NO. 527, 2007 - restates the AUL Deferred Compensation Plan to promote ease of administration, permit additional rollovers into the AUL plan to increase attractiveness to employees, and provide for matching contributions by the City for police officers and firefighters as negotiated in labor agreements
"Do Pass" Vote 4-0

PROPOSAL NO. 425, 2007 - urges the Council to consider a reduction in the amount of the property tax levy needed to generate the tax increment replacement amount as determined pursuant to I.C. 6-1.1-21-11(b) in certain tax districts
"Strike" Vote 4-0

PROPOSAL NO. 522, 2007 - transfers and appropriates \$1,138,000 in the 2007 Budget of the Information Services Agency (Information Services Internal Services Fund) to purchase FileNet software upgrades for the Department of Metropolitan Development, for other expenses related to the DMD and DPW move to new offices on Madison, and for computer hardware to be used throughout the enterprise
"Do Pass" Vote 4-0

PROPOSAL NO. 523, 2007 - approves temporary tax anticipation borrowing and authorizes the City to refinance warrants issued to make temporary loans for the use of certain funds and accounts in anticipation of current taxes levied in the year 2006 and still collectible in the 2007 budget year and to make and refinance temporary loans during 2008 in anticipation of current taxes levied in the year 2007 and collectible in 2008, authorizing the issuance of tax anticipation time warrants to evidence such loans, pledging and appropriating the taxes to be received in such funds to the payment of such warrants, including the interest thereon
"Do Pass as Amended" Vote 4-0

PROPOSAL NO. 524, 2007 - approves temporary tax anticipation borrowing and authorizes the County to refinance warrants issued to make temporary loans for the use of certain funds and accounts in anticipation of current taxes levied in the year 2006 and still collectible in the 2007 budget year and to make and refinance temporary loans during 2008 in anticipation of current taxes levied in the year 2007 and collectible in 2008, authorizing the issuance of tax anticipation time warrants to evidence such loans, pledging and appropriating the taxes to be received in such funds to the payment of such warrants, including the interest thereon

“Do Pass as Amended”

Vote 4-0

PROPOSAL NO. 525, 2007 - appropriates \$3,093,901 in the 2007 Budgets of the Revenue Serviced Debt Funds of the City of Indianapolis, the Office of Finance and Management and the County to pay interest expense for revenue bonds, County Option Income Tax anticipation loans and tax anticipation warrants

“Do Pass as Amended”

Vote 4-0

PROPOSAL NO. 526, 2007 - approves disposal of certain parcels that have an appraised value of \$50,000 or more by the Marion County Board of Commissioners

“Do Pass”

Vote 4-0

PROPOSAL NO. 531, 2007 - appoints Councillor Jackie Nytes as a member of the High Performance Government Team, pursuant to General Ordinance No. 47, 2007 (Proposal No. 388, 2007)

“Do Pass”

Vote 3-0-1

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, December 11, 2007. Chair Joanne Sanders called the meeting to order at 5:04 p.m. with the following members present: Paul Bateman, Lynn McWhirter, and Jackie Nytes. Absent were Vernon Brown, Lance Langsford, and Lincoln Plowman.

PROPOSAL NO. 527, 2007 - restates the AUL Deferred Compensation Plan to promote ease of administration, permit additional rollovers into the AUL plan to increase attractiveness to employees, and provide for matching contributions by the City for police officers and firefighters as negotiated in labor agreements

Doug McCollom, Human Resource Benefits Manager, City of Indianapolis/Marion County, said that he and his team took the restated document to the City of Indianapolis/Marion County Administrative Board on November 1, as they are listed as the plan administrator in the AUL plan document. He said that they asked for the Administrative Board's request to pass the information on to the next level, which consisted of introducing the document as a proposal at the Council meeting on December 3. Mr. McCollom said that the current AUL plan document is an individually designed document which does not allow for certain things that have been updated due to new laws and legislation with retirement accounts. He said that new legislation known as the Economic Growth and Tax Relief Act (EGTRA) was passed in 2001 that has allowed mixed money to be rolled over into retirement plan accounts. The current 457 plan does not allow an employee of the City of Indianapolis or Marion County to roll over money from, as an example, a 401K plan from a former employer into the 457 plan. The only rollover money that is accepted into the 457 plan is money from the same type of plan as a 457 plan. Mr. McCollom said that the updated/restated document would afford employees the advantage of being able to roll over any type of money. Chair Sanders asked Mr. McCollom to make a distinction about the difference in money to which he is referring. Mr. McCollom said that all of the retirement plans to which he is referring are pre-tax deductions, but there are different plans associated with different corporations. He said that the City has a 457 plan because it is a government entity, and some private organizations have plans based on their type of corporation.

Mr. McCollom said that the second piece of the restated document reflects that the new Indianapolis Fire Department (IFD) and the new Indianapolis Metropolitan Police Department (IMPD) contracts include match money for their members. For 2008, the maximum match amount will be \$20 per pay; for 2009 it will be \$25 per pay; and for 2010 it will be \$37.50 per pay. He said that the City's current document does not allow match dollars to come into the plan. Mr. McCollom said that there are 726 employees from IMPD that are participants in the AUL plan, and there is an option within the Fire Department for employees to participate in Nationwide or AUL. The Fire Department currently has 161 employees in the AUL plan and 426 employees in the Nationwide plan. Mr. McCollom said that the Nationwide document that is in place is a 457 plan that is available only to the sworn firefighters. It is not being presented because it already includes the updated language for the match dollars and rollover money.

Councillor Nytes asked if other city and county employees participate in the AUL plan, and if the plan is open to any employee that wishes to participate. Mr. McCollom answered in the affirmative.

Councillor Nytes asked if the percentage of employees that participate in the 457 plan is known. Mr. McCollom answered that approximately 10% to 15% of the employees participate in the plan. He said that AUL performs a variety of communication processes on a quarterly basis to encourage increased employee participation, in addition to attending Human Resources' new hire orientation sessions that occur every other week. AUL educates employees on how the plan works and how the pre-tax contributions can benefit the employee. Councillor Nytes asked if the city or county provides any matching dollars to employees or union workers other than those of the police and fire departments. Mr. McCollom answered in the negative. Councillor Nytes encouraged Mr. McCollom and his team to continue trying to encourage employees to participate in their retirement planning.

Councillor McWhirter asked where the information regarding matching funds is addressed in the document. Ellen Gabovitch, Corporation Counsel, said that it is set out in an appendix to the adoption agreement. Councillor McWhirter asked if there is a concern with this program as to who does and does not pay taxes on the matching funds, with regard to employees or employer. Sue Williams, Attorney, AUL, answered that the funds are not taxable for income taxes, but are subject to social security and FICA taxes. Mr. McCollom stated that the information for the matching contributions is in Section 3.03 on page 5 of the prototype plan. He said that the adoption agreement goes into more detail about how the plan operates. He also added that as AUL went through the process of updating the document, all of the information from the current document was transferred into the new restated document, with the addition of the rollover and matching contribution language.

Councillor Bateman asked what the maximum percentage amount is that employees can contribute per year. Mr. McCollom answered that employees may contribute a total maximum of \$15,500 per year. The percentage varies based upon the employee's income, but that amount is indexed by the IRS and can increase each year.

Chair Sanders asked if there is a way to establish a fund so that the employer does not have the social security indebtedness on the matching of contributions. Ms. Williams said that she does not believe that there is a possibility of that under the 457 plan, that she will check on it and let the Council know. Chair Sanders asked if that information can be given to the Committee before the Council meeting on December 17, as the proposal may be amended to include some other fund that keeps the City from paying that tax. Ms. Williams said that it depends on whether a 457 plan in general permits such. She said that she has had very limited experience with social security offset plans, and the situations in which she has witnessed them used have been with a money purchase plan.

Councillor Nytes moved, seconded by Councillor Bateman, to forward Proposal No. 527, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 425, 2007 - urges the Council to consider a reduction in the amount of the property tax levy needed to generate the tax increment replacement amount as determined pursuant to I.C. 6-1.1-21-11(b) in certain tax districts

Chair Sanders asked if there is anyone to speak to the proposal. She said that she would entertain a motion to strike or postpone the proposal, but that it falls off at the end of the year.

Councillor Bateman moved, seconded by Councillor McWhirter, to “Strike” Proposal No. 425, 2007. The motion carried by a vote of 4-0.

PROPOSAL NO. 522, 2007 - transfers and appropriates \$1,138,000 in the 2007 Budget of the Information Services Agency (Information Services Internal Services Fund) to purchase FileNet software upgrades for the Department of Metropolitan Development, for other expenses related to the DMD and DPW move to new offices on Madison, and for computer hardware to be used throughout the enterprise

Aaron Hood, Chief Financial Officer (CFO), Information Services Agency (ISA), distributed a handout (attached as Exhibit A) outlining the detailed numbers supporting his presentation. He said that the necessity for the requested appropriation is to reimburse ISA’s budget for expenses that were incurred by various city/county departments and agencies which were not originally included in ISA’s budget for this year. Mr. Hood stated that some of the projects listed on Exhibit A are currently in progress and some have been completed this year, but all projects listed make up the requested amount. Mr. Hood said that the eStream Fax Solution Software product will help the Department of Metropolitan Development (DMD) streamline paper faxes to save quite a bit of money on the costs associated with faxing. Mr. Hood said that since ISA is an Internal Services Fund, their situation is unique as they are in a double-budgeting situation, where some of the 56 departments and agencies within the enterprise have expenses allocated in their budgets as well as being included in ISA’s budget. He said that ISA has worked with the Office of Finance and Management (OFM) throughout the year with these unplanned expenses, but decided that it was best to come before the Committee at the end of the year with a comprehensive list, versus appearing before the Committee several times during the year. Mr. Hood added that \$253,000 will be moved from ISA’s Character 01 to Character 03, due to underspending in Character 01. He said that ISA’s fund balance will be reimbursed by the specific departments. However, ISA is requesting that the Council approve the appropriation, because the reimbursed funds go back into the fund balance as revenue, and are not placed back into ISA’s spendable budget.

Councillor McWhirter asked why ISA is using part of their Character 01 funds, if the money is reimbursable by the different departments. Jeff Seidenstein, Budget Manager, OFM, answered that ISA had more appropriations in Character 01 than they will spend, due to attrition and turnover. The alternative would be for ISA to ask for a total increase of \$1.1 million in their budget. Since they will underspend some of their Character 01, OFM suggested that they simply transfer some of those appropriations, so that the net total requested is less.

Councillor Nytes commented that she believes that it was a good idea for ISA to appropriate in this way, as requesting the total \$1.1 million would probably have led to additional discussions about how much underspending the department had for the year. She asked for an explanation of the need for the fax software for DMD, with the decreased demand for faxing. Shital Patel, Chief Information Officer (CIO), ISA, said that the fax solution software is to automate faxing duties and move away from paper faxing. Councillor Nytes asked if this software is for making faxing more

technologically advanced. Ms. Patel answered in the affirmative, and stated that all faxing would be done electronically.

Councillor Bateman moved, seconded by Councillor Nytes, to forward Proposal No. 522, 2007 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 4-0.

Mr. Hood asked for the Committee’s permission for ISA’s Project Manager, Dan Pavey, to give a brief update regarding the property system. Consent was given.

[Clerk’s note: The Presentation portion of this meeting will be distributed at a later date.]

PROPOSAL NO. 523, 2007 - approves temporary tax anticipation borrowing and authorizes the City to refinance warrants issued to make temporary loans for the use of certain funds and accounts in anticipation of current taxes levied in the year 2006 and still collectible in the 2007 budget year and to make and refinance temporary loans during 2008 in anticipation of current taxes levied in the year 2007 and collectible in 2008, authorizing the issuance of tax anticipation time warrants to evidence such loans, pledging and appropriating the taxes to be received in such funds to the payment of such warrants, including the interest thereon

Barbara Lawrence, Director, Indianapolis Bond Bank, distributed an updated version of Proposal No. 523, 2007’s Exhibit A (attached to these minutes and hereinafter referred to as Exhibit C) and Proposal No. 524, 2007’s Exhibit A (attached as Exhibit D). She said that the exhibit that was originally filed with the resolution was based on levy, but Jim Steele, Fiscal Consultant, went back and reconciled what the difference would be. Mr. Steele distributed a memo including the estimated 2007 property tax distributions and shortfall (attached as Exhibit E). Ms. Lawrence said that the Bond Bank’s Tax Warrant Program has been in existence for 20 years. She said that the Bond Bank comes before the Council every year to seek approval for the program that was formed to alleviate cash flow problems between when the property tax is actually received and when expenditures need to be made. She said that the Bond Bank has issued over \$2.2 billion in Tax Revenue Anticipation Notes, which are short-term notes that typically cover about 80% of the property tax levy. She said that Proposal 523, 2007 is a resolution that deals specifically with the City, and Exhibit C illustrates that the 2007 amount has been reconciled between the levy and the amount that was actually received, which is the actual distribution amount that is reflected on the second page of Exhibit E. She added that Exhibit D reflects the same for Proposal No. 524, 2007. Ms. Lawrence said that the 2008 amount is summarized, but is the same amount that was included in the original resolution, and actually represents 100% of the levy. She said that the total amount for the city will be \$314,935,989. Ms. Lawrence said that the first part of the program is to come before the Committee seeking approval to do the Bond Bank’s traditional six-month issuance for the 2008 program. She said that the program would typically consist of two six-month programs with a “true up” after the first of the year, and then after the first of July, and reconciling with distributions. She said that she is also seeking approval for the 2007 portion, which is viewed as a rollover of outstanding notes or a shortfall financing, based on the difference between what was anticipated to be received and what was actually received. Ms. Lawrence said that one portion of the request involves the standard structure, in which there may be some flexibility as to how the structure looks in order to address the issues with reassessment, when the revenues are actually received and when the reconciliation payment is received. She said that those potential structures are being examined, and they anticipate that unlike most tax warrant issues, they would have a call

provision to include some flexibility to address when the reconciliation payments and actual distributions are received. She said that the difference in this request is due to the reassessment issue.

Mr. Steele said that the memo portion of Exhibit E explains the situation this year, which is unique because of the reassessment order issued by the Department of Local Government Finance (DLGF). He said that because the state has not distributed all of the Property Tax Replacement Credit (PTRC) and the Homestead Credit (HSC), the amounts cannot be finally allocated until the reassessment is completed and the true property tax bills are known for each taxpayer, including how much they will receive for the credits. Mr. Steele said that the state has distributed 92.25% of the PTRC and 66% of the HSC, which added to the collected amounts based upon the last billing that was due December 10. Therefore, the Treasurer's Office was able to determine how much has been collected and is available for distribution. He said that this short-term borrowing takes place because all of the money is not available, but it will be paid off once the reconciliation is completed next spring and final settlement is made for the property taxes that were originally due in 2007. Mr. Steele explained page 2 of Exhibit E. As an example, he stated that the County General Fund for Marion County had a projected levy of \$117,569,018, and with all of the revenues that have been received year-to-date from the property taxpayers, the PTRC fund, and the state and county HSC fund, \$94,504,446 has been collected and is available for distribution, resulting in an actual shortfall of \$23,064,572. He said that these are actual numbers because the property tax bills have all been calculated and allocated to the appropriate taxing units. Mr. Steele said that the total county shortfall is about \$48.7 million and the total city shortfall is about \$42.2 million. He said that the shortfall amounts match the amounts included in Exhibits C and D, with the exception that Exhibit C includes a Tax Increment Financing amount that is not included on the spreadsheet attached to Exhibit E.

Chair Sanders asked why Warren Township Fire has a separate line item listed on Exhibit C. Mr. Steele answered that Warren Township Fire was consolidated with IFD this year, and therefore, Warren Township still received the property tax levies for 2007. However, next year the taxing area that was outside of the old IFD, but inside the old Warren Township Fire Department district has a levy of \$2.9 million for next year. He said that amount will be administered by the city next year through the consolidation, so the city is asking to borrow up to that amount on tax warrants. Mr. Steele said that these amounts are maximum, but not necessarily true amounts. Chair Sanders asked if this line item will be nonexistent in 2008. Mr. Steele answered that he would anticipate that amount would be included in the Fire Consolidated line item for 2008.

Councillor McWhirter stated that she is concerned with the blanks in the proposal and asked if an amendment needs to be done to fill the blanks, as she does not like to pass proposals that are incomplete. Ms. Lawrence answered that there are two issues: Proposal No. 523, 2007 needs to be amended to substitute the new numbers for what was included in the original proposal, but the blanks are reflective of what is considered the "form of the warrant" because it is considered an exhibit and is always blank. Councillor McWhirter said that the ordinance for the county has additional blanks that need to be filled. Ms. Lawrence said that those will be amended separately from this proposal. Councillor McWhirter asked if the interest rate for this plan is known. Ms. Lawrence answered that it will probably be in the low 3% to 3.25%, and added that the city will also be earning interest on the unspent balance while paying interest for this program.

Councillor Nytes asked if the borrowing of \$74 million more for the city and \$48 million more for the county is due to the suspension of the tax collections at the 2007 level. Mr. Steele answered that these amounts are in addition to what the city and county planned to borrow because of the late settlement. Councillor Nytes asked if the borrowing is reflective of collecting less than expected and collecting later than planned. Mr. Steele answered in the affirmative. Councillor Nytes said that she realizes that until the bonds are sold, the money is drawn down, and the bill is paid; exactly how much this will cost is not known, but she wonders if there is an estimate of the total costs. She asked if there will be additional appropriations requested in budgets after the first of the year to accommodate additional interest expenses. Mr. Steele answered in the affirmative, and stated that he believes that there is actually another proposal that will be heard at this meeting that will request additional appropriations for 2007. Councillor Nytes asked if this will need to be revisited again for 2008. Mr. Steele answered in the affirmative. He stated that he has been working with Mike Rodman and Cindy Land, in the Treasurer's Office, and commented that they have been great in gathering all of the information, determining where all the money goes, and allocating as much money as possible back to the local units of government.

Councillor Nytes asked if this same process will need to happen for every school district, the library, the bus company, and every department that is supported by property taxes. Mr. Steele answered in the affirmative, and stated that the Treasurer's Office notified all local units of government in Marion County that receive property tax of the amount that they will receive in settlement at the end of this month, so that they can calculate what their shortfall is and anticipate any necessary borrowing.

Councillor Nytes moved, seconded by Councillor McWhirter, to "Amend" Proposal No. 523, 2007 to substitute the spreadsheet included as Exhibit A in the proposal with the spreadsheet reflected on Exhibit C. The motion carried by a vote of 4-0.

Councillor Nytes moved, seconded by Councillor McWhirter, to forward Proposal No. 523, 2007 to the full Council with a "Do Pass as Amended" recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 524, 2007 - approves temporary tax anticipation borrowing and authorizes the County to refinance warrants issued to make temporary loans for the use of certain funds and accounts in anticipation of current taxes levied in the year 2006 and still collectible in the 2007 budget year and to make and refinance temporary loans during 2008 in anticipation of current taxes levied in the year 2007 and collectible in 2008, authorizing the issuance of tax anticipation time warrants to evidence such loans, pledging and appropriating the taxes to be received in such funds to the payment of such warrants, including the interest thereon

Ms. Lawrence said that there are two blanks in the proposal that should be filled in with actual numbers from Exhibit D. The total amount for 2007 should be entered under the second "whereas", section A and in Section 1 of the proposal and the total amount for 2008 should be entered under the second "whereas", section B and in Section 2 of the proposal.

Councillor McWhirter moved, seconded by Councillor Nytes, to technically "Amend" Proposal No. 524, 2007 to insert the amounts as stated above. The motion carried by a vote of 4-0.

Councillor Nytes moved, seconded by Councillor Bateman, to “Amend” Proposal No. 524, 2007 to substitute the spreadsheet included as Exhibit A in the proposal with the spreadsheet reflected on Exhibit D. The motion carried by a vote of 4-0.

Councillor Bateman moved, seconded by Councillor Nytes, to forward Proposal No. 524, 2007 to the full Council with a “Do Pass as Amended” recommendation. The motion carried by a vote of 4-0.

Councillor Nytes thanked all the staff of the city and county for making sacrifices to compensate for this very unusual year with regard to the property tax system. She stated that she feels that all the employees need to be commended for their resourcefulness and their patience, as the work of the city and county is still getting done even with all the changes and adjustments in funding being made.

PROPOSAL NO. 525, 2007 - appropriates \$3,093,901 in the 2007 Budgets of the Revenue Serviced Debt Funds of the City of Indianapolis, the Office of Finance and Management and the County to pay interest expense for revenue bonds, County Option Income Tax anticipation loans and tax anticipation warrants

Chuck White, Deputy Controller, distributed a handout (attached as Exhibit F) and said that there are a number of things in this proposed ordinance.

Councillor Bateman moved, seconded by Councillor Nytes, to amend Proposal No. 525, 2007 as stated in Exhibit G. The motion carried by a vote of 4-0.

Mr. White said that in preparing the 2007 budget for the city, \$9 million of county option income tax (COIT) notes were issued to get the city through 2006, which had to be repaid in 2007. He said that the amounts in the first column of Exhibit F reflect the interest that the departments that received the notes had to pay. He said that the “Bridge” tax warrants represents the interests that the City owed for money borrowed, due to the property tax distributions not being received in June, as normal. Mr. White said that the third column represents the additional amount that was required for the tax warrants for IMPD General, Fire General, and Parks General, due to late receipt of property taxes. He said that when a debt issue happens late in the year, the budget for the incoming year does not contain the details as to exactly what the debt service is going to be. Therefore, an ordinance has to be done to fund all of the interest for the bonds that have been issued. He said that this appropriation was accounted for in the budget process.

Councillor McWhirter asked what the differences are in the original ordinance versus the amended one. Hope Tribble, Budget Manager, OFM, said that the first change is in Section 1, and simply notes, as requested by the CFO for the Council, that the tax anticipation borrowings are additional expenses expected to be realized due to the delay in tax collections, and the Sanitation Revenue Bonds fund was erroneously omitted from the 2007 Budget. She said that the second change on page 3 is a technical correction of the fund name from Consolidated County Capital Cumulative Fund to City Cumulative Capital Development Fund, and the total for that line was incorrect. Also there was a correction in the amount for the Sanitation Revenue Bonds Fund. The next change is on page 4, and changes the fund name from the Consolidated County Capital Cumulative Fund to the

City Cumulative Capital Development Fund. The last change adds the words County Auditor in the digest, as the word “Auditor” had been left out.

Councillor McWhirter asked if the changes were simply typographical errors that reflected no change in the total. Ms. Tribble answered in the affirmative.

Councillor Nytes asked if the two middle columns reflected on Exhibit G indicate the additional interest costs that the City has as a result of the additional borrowings from the delays in the receipt of the property taxes. Mr. White answered in the affirmative.

Councillor Bateman moved, seconded by Councillor Nytes, to forward Proposal No. 525, 2007 to the full Council with a “Do Pass as Amended” recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 526, 2007 - approves disposal of certain parcels that have an appraised value of \$50,000 or more by the Marion County Board of Commissioners

Mike Rodman, County Commissioner, distributed a handout (attached as Exhibit H), and said that when the Commissioners have county property, they are charged with the responsibility of disposing of those properties and getting them back on the tax roles. However, a property that exceeds a certain amount has to come before the full Council. Currently, there are six properties that exceed that amount. Mr. Rodman said that he has been pleased that a number of the members of the public have come to the Commissioners’ meetings this year. He said that letters from King Park and Englewood Development Corporation have been included in Exhibit H, along with some resolutions from the Parks Department.

Cindy Land, Deputy Treasurer, said that four of the properties are actually county assets, of which three are properties that the courts have asked the Commissioners to dispose of. The Mayor granted the County Commissioners the authority to dispose of county-owned properties. She said that one of the properties used to be affiliated with the county home and has been used as farmland. Two other properties have delinquent taxes. She said that because these properties have an assessed value of more than \$50,000, they have to get the Council’s approval to dispose of the properties. Ms. Land said that Exhibit H provides relevant information about each property, such as councillor for the district, neighborhood liaison and Community Development Corporation (CDC) information, appraisal amount, highest and best use recommended, and suggested disposition. She said that she will talk about some specifics of each.

Ms. Land said that they have been working closely with the neighborhood liaisons of the 447 E. 38th Street property, and the liaisons have been communicating with the CDC. The Commissioner’s Office is hoping to work with a group of CDCs and neighborhood groups in that area to see if there is some way for the neighborhood to obtain the title of that property.

Ms. Land said that the property at 5440 E. 38th Street is in the United North East district, and they have worked with Kyle Clark, neighborhood liaison. The property is in Councillor Bateman’s district. She said that there is a letter included in Exhibit H from James Davie with United North East, and they are trying to work with them to see if the CDC can obtain funding to buy the

property. The CDC is very interested in the property. Councillor Bateman asked if the CDC is willing to pay face value for the property. Ms. Land said that no official negotiations have been made, as they have only been getting information out to determine interests.

Ms. Land said that there are four different representatives from different organizations here displaying interest in the 2528-2542 N. Delaware Street property. She said that the included letters from King Park and Englewood Development are directed toward this property. Ms. Land said that the Commissioners' Office is trying to determine the best direction that should be taken to include everyone's interest. She said that this particular property may be a little more complicated to resolve than the others, because some people feel that the building should be torn down and more Fall Creek-type housing should be built. Some want senior housing developed and some want to contribute to the cause and mission of the Crane House. Ms. Land said that they would like to put the property out for bid.

Ms. Land said that the property on Massachusetts Avenue and Sherman Avenue used to be a Drive-In Theatre. It is believed that this property needs to be disposed of in a public auction. Councillor McWhirter said that she wonders how some of the properties got into the situation where more property taxes are owed on the property than the property is worth. Chair Sanders asked how many acres are included with this property. Ms. Land answered that it is 4.88 acres.

Ms. Land said that the Parks Department has indicated that they are interested in the Sutherland Avenue property, and the Commissioners passed a resolution to transfer the property to the Parks Department, who will adopt a similar resolution for the property. Ms. Land said that because some of the properties have been delinquent in taxes for many years, they were already in their third or fourth year of delinquency before the county took title. She said that the Commissioners have had possession of the Sutherland Avenue property, but there have been long-term discussions with Parks to try to get negotiations finished. Ms. Land said that it will cost Parks significantly, because the building needs to be demolished. In addition, the Commissioners would also like to transfer the Troy Avenue property to the Parks Department. They refer to this property as the Kitley property because of its location. It consists of 60 acres, of which 15 acres are complete woodland that they would like to keep as woodland. She said that copies of resolutions from the County Commissioners and the Parks Department are included in Exhibit H.

Ruth Powell, Vice President of Citizens Coalition, said that the neighborhood is interested in the property at 2542 N. Delaware. She said that they believe that a beautiful place can be put on this property for the senior citizens that live and want to stay in the neighborhood. She said that she would like to see something other than another high rise building that senior citizens cannot afford.

Janine Betsey, Executive Director at King Park, said that King Park has had the opportunity to work with some other surplus opportunities with the Treasurer's Office, but this is one of the first opportunities they have had to hopefully facilitate a process that promotes more community buy-in than dissolution. She said that there has been a lot of growth and change in the neighborhood, and this would be a great opportunity to develop a win-win situation. She said that they can easily pull together some of the funding to acquire the property and make a great project happen. She said that it is rare for them to attract and obtain parcels of this size in their neighborhood.

Shanda McPike, Englewood Development Company, said that they have met with King Park about a possible joint venture. She said that they have about 30 years of experience developing senior housing and affordable family housing in Indiana, Illinois, and Arizona. She said that they have had discussions with King Park about affordable senior housing, with a potential meal center and other ideas that would positively impact the community. Ms. McPike said that she lives in the neighborhood and, therefore, has a personal and business vested interest.

Councillor McWhirter asked Ms. McPike if she is suggesting that Englewood is interested in developing senior housing and a senior community center of some type. Ms. McPike answered in the affirmative, and stated that their discussions have included some type of meal center so that seniors in the community could get meals.

Jane Haldiman, New Northside Neighborhood Organization, said that she has lived in the neighborhood for 44 years. She said that with all the work that has been done in the area, there still is not much being done to provide rental opportunities for people with the lowest incomes. She said that so much stress has been put on homeownership, but there needs to be more options for senior citizens. She said that the new high-rise developments are not made available for those with low incomes. She said that she feels that the general economic base of the neighborhood should be taken into account with the various neighborhood plans.

Suzanne Pierce, Executive Director for John P. Crane House, an alternative sentencing program for female offenders and their pre-school age children. She said that they are at their 30th year of operation and at a position to expand. She said that they are only a few blocks away. She said that she has toured the facility and it is in bad shape, but she believes that it has a lot of potential.

Chair Sanders asked Ms. Land what the process is once permission has been granted to dispose of the properties and how much time it will take to complete the process. Ms. Land said that it will be different with some of the properties, as she believes that the property on Delaware will take more time to complete the process of dissolution. She said that they will continue to talk with the neighborhoods and try to negotiate the pricing, but it should hopefully be a short period of approximately 30 to 60 days, because the buildings are all empty. She said that if negotiations cannot be worked out with the neighborhoods, perhaps the properties will be able to be sold at public auction. She said that she would like to continue working with DMD and other center township neighborhood coordinators, as she has had meetings with them, to talk about the Delaware property. She said that she would like to put together a committee to decide what direction to take with the property and put it out for bid. If a particular use is identified it can be expressed to bidders.

Mr. Rodman said that it has been about a year since he came before the Committee about the Kitley property, which at the time he suggested could be sold at a significant price. He said that he believes that Councillor Nytes suggested that it might be good for Parks, and on reflection, it has been worked out to transfer it, as well as the Sutherland property, to the Parks Department, because park land is hard to find. He said that even though they could possibly get more money if it goes out to bid, the highest bidder may not put the property to the highest and best use for the county. Ms. Land said that she hopes to have resolution with most of the properties within a couple of months, but they want to make sure that they have thoroughly thought through and made the best

possible decision with the Delaware property. She said that she would expect it to take no more than six months to resolve the Delaware property.

Councillor Nytes moved, seconded by Councillor Bateman, to forward Proposal No. 526, 2007 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 4-0.

PROPOSAL NO. 531, 2007 - appoints Councillor Jackie Nytes as a member of the High Performance Government Team, pursuant to General Ordinance No. 47, 2007 (Proposal No. 388, 2007)

Chair Sanders said that this team was put together a few months ago in an effort to obtain a complete overview of various agencies and departments to determine what the best means is by which they can measure their performance and what types of procedures they can impose within their agencies or departments to be the most efficient and have the best use of their budgets. She said that as a Council, members have the authority to make appointments, which will consist of one Democrat and one Republican for this team, who will be ex-officio members.

Councillor Bateman moved, seconded by Councillor McWhirter, to forward Proposal No. 531, 2007 to the full Council with a “Do Pass” recommendation. The motion carried by a vote of 3-0-1, with Councillor Nytes abstaining from the vote.

Chair Sanders said that this is the final action of this Committee. She said as chair of the Administration and Finance Committee, she has been very pleased to be a part of much of what has happened in the last several years relative to the budget. She said that she did have the opportunity to serve on the Committee prior to being chair, and as a fiscal conservative, it has been her pleasure to serve both as a member and as chair and she hopes to be able to serve more in the future. She said that she does want to point out that the Council is saying goodbye to Councillor McWhirter, as this is the end of her term. She said that the Committee wishes her the best, and she has enjoyed working directly with her and enjoyed the questions that she posed, as they helped them all to better understand the issues that have been presented before the Committee. She wished her future success and enjoyment with her family. Chair Sanders added that Councillor Langsford is also leaving the Council and wished him well, as he has been on the Committee for quite some time and has served well in the issues of public finance.

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:53 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee